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ABSTRACT

A 38-member Job Training Partnership Act (JTPA) advisory committee was commissioned by the U.S. Department of Labor to review the country's employment and training policy, especially as focused in the JTPA, and to make recommendations for improvement. The committee found that two interdependent problems face the United States: a widening gap between the skills of the work force and the changing requirements of the economy and an opportunity to offer gainful employment to all citizens, especially those who formerly were marginally employed or on welfare. It also found that JTPA has strengths that should be retained, such as the public-private partnership, the pivotal role of the states in JTPA management, and a local system accountable to the public. However, it also found areas in which the JTPA could be strengthened and proposed 28 recommendations to that end. Of these, seven major proposals were advanced, concerning (1) targeting programs more directly on disadvantaged persons with serious skills deficiencies; (2) individualizing services; (3) consolidating youth services and increasing funding; (4) redesigning outcome measures to reflect the goal of long-term economic self-sufficiency for participants; (5) relaxing program constraints to increase the responsiveness of the system, especially to clients with serious employment barriers; (6) improving staff training; and (7) creating public-private partnerships between JTPA and other resource programs. (KC)

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A Report of
The Job Training
Partnership Act
(JTPA) Advisory Committee

March 1989

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JTPA ADVISORY COMMITTEE

Marion Pines, Chair
Senior Fellow
Institute for Policy Studies
The Johns Hopkins University
Baltimore, Maryland

Ann Abel
Director
Vermilion County Job Training Partnership
Danville, Illinois

Gordon Ambach
Executive Director
Council of Chief State School Officers
Washington, D.C.

Vincent Austin
Director of Employment and Training
The National Urban League
New York, New York

Robert Bell
President
Robert Bell & Associates
St. Louis, Missouri

Joan Crigger
Director of Employment and Training
U.S. Conference of Mayors
Washington, D.C.

Ronald Drach
National Employment Director
Disabled American Veterans
Washington, D.C.

Richard G. Freeman
President, Interstate Conference of Employment Security Agencies
Des Moines, Iowa

Perry Gaines
Director of Customer Support
Milliken & Company
Spartanburg, South Carolina

Evelyn Ganzglass
Director
Training and Employment Programs
National Governors' Association
Washington, D.C.

Judith Gueron
President
Manpower Development Research Corporation
New York, New York

Martin Jensen
Executive Director
National Job Training Partnership, Inc.
Washington, D.C.

Elton Jolly
President and CEO
OICs of America
Philadelphia, Pennsylvania

Jack Klepinger
General Manager
Wells Cargo, Inc.
Ogden, Utah

Robert Knight
President
National Association of Private Industry Councils
Washington, D.C.

William Kolberg
President
National Alliance of Business
Washington, D.C.

Frank W. Krauser
President
Krauser & Myatt International
Miami, Florida

Jose Gabriel Loyola
State JTPA Administrator
Department of Economic Security
Phoenix, Arizona

Cynthia Marano
Executive Director
Wider Opportunities for Women
Washington, D.C.

Michael G. McMillan
Executive Director
Human Resources Development Institute, AFL-CIO
Washington, D.C.

Jerald T. McNeil
Director, Training and Employment Programs
National Association of Counties
Washington, D.C.

Jean Merritt
Former Commissioner
Indiana Department of Human Services
Indianapolis, Indiana

Lilliam Barrios-Paoli
Commissioner
City of New York Department of Employment
New York, New York

Philip Power
Chairman
Suburban Communications Corporation
Ann Arbor, Michigan

Janet Quist
Legislative Counsel
National League of Cities
Washington, D.C.

Nathaniel Semple
Vice President and Corporate Secretary
Committee for Economic Development
Washington, D.C.

Arthur Shy
Director of Education Programs
United Auto Workers
Detroit, Michigan

William Spring
Vice President, Community Affairs
Federal Reserve Bank of Boston
Boston, Masssachusetts

Carl W. Struever
President
Struever Brothers, Eccles and Rouse
Baltimore, Maryland

June Suhling
Administrator, Division of Employment and Training
Department of Industry, Labor and Human Relations
Madison, Wisconsin

Charles G. Tetro
President
Training and Development Corporation
Bangor, Maine

Geneva Y. Titsworth
Associate Superintendent
Wayne County Intermediate School District
Wayne, Michigan

Pedro L. Viera
President
SER-Jobs for Progress National, Inc.
Dallas, Texas

Gary Walker
Executive Vice President
Public/Private Ventures
Philadelphia, Pennsylvania

Barbara Weinberg
Executive Director
State Job Training Office
Carson City, Nevada

H. G. Weisman
Assistant Commissioner
Georgia Department of Labor
Atlanta, Georgia

Linda Woloshansky
Executive Director
Kankakee Valley Jobs Training Programs, Inc.
Valparaiso, Indiana

Twila Young
Independent Consultant to AFL-CIO
Ames, Iowa

WORKING CAPITAL:

JTPA Investments for the 90's

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PREFACE

In July 1988, the job training community was given a unique opportunity by the Secretary of Labor. We were asked to actively participate in assessing our five years of experience with the Job Training Partnership Act, and to contribute to the formulation of job training policy for the 1990s. Specific issues were raised in a *White Paper* disseminated by the Department, which was widely discussed in seminars throughout the country, and in seven months of deliberation by a 38-member JTPA Advisory Committee appointed by the Secretary. ◆

Two thousand pages (40 pounds) of comments, suggestions and recommendations were sent to the Advisory Committee by a cross-section of citizens ranging from corporate executives, youth counselors and school superintendents, to state and local elected officials. As one Advisory Committee member quipped, "The Department of Labor threw a party, and everyone came!" ◆ We were both surprised and energized by this unexpected groundswell of interest in the nation's training policies. It demonstrates that there is a growing national constituency for investing in the development of the American workforce. A consensus is building in response to a series of interlocking social and economic problems that are becoming obvious to all:

The nature of jobs and job requirements is changing irreversibly, while the demographics of the present and potential workforce are also changing.

There is a dearth of qualified workers, but there is also a growing mismatch between jobs and potential workers.

The major symptoms of this mismatch are evidenced by massive functional illiteracy (approximately 25 million), long-term dependency (approximately 3 million working age individuals), and failure to complete high school (almost a million youth a year).

Resources are restricted in all human development systems, and no one system can be effective operating alone.

Reflecting on this complex of issues, we conclude that the goals of the nation's employment and training system should be both human development and self-sufficiency for the individual and the family, and increased productivity for the American workforce. ◆

Our work to date is reflected in this report. Building on the varied responses to the *White Paper*, we were encouraged to envision a coherent and integrated learning system responsive to the needs of the decade ahead. We describe the context in which we developed our recommendations for JTPA that form the foundation of that vision. They flow largely from in-depth discussions by four working sub-groups of the Advisory Committee, which were chaired by members Ann Abel, Gary Walker, Charles Tetro and Carl W. Struever. ◆

Our suggestions do not represent unanimity on every issue, nor do we expect readers—including the Department of Labor—to agree on every point. The Committee did reach consensus, however, on major principles, which led us to recommend steering the JTPA system more prescriptively as to clients and outcomes, while at the same time providing localities with a wider range of tools in defining and delivering services. We believe that **employers will support a training system that recognizes the need to add workers to the labor force and one that produces added value to those workers by virtue of quality education and training**. We hope that taken in the context of a changing national and global economy, our exploration of the issues will enrich and elevate the national discussion that must ensue. ◆

As we look back on our deliberations to date and look forward to completion of our work, each one of us has developed a new respect for the complexities of public policy formation. It is a privilege to be a part of this unique process. As chair, it is my special good fortune to be associated with this conscientious and committed group of public spirited citizens, drawn from business, labor, education, community-based organizations, public interest groups, and the employment and training system, who work with an intensity and zeal unmatched in my 25 years of experience in the field. We are supported by an equally talented and committed group of staff from the Department of Labor. Each person has my gratitude and respect. Each one deserves the thanks of the country. ◆

Marion Pines, Chair
JTPA Advisory Committee

INTRODUCTION AND EXECUTIVE SUMMARY

AMERICA STANDS AT A CROSS-ROADS

As we enter the last decade of the 20th century, competitive pressures are intensifying and, for the first time since World War II, our economic preeminence is in question. We face the grim prospect that our heritage of ever-rising living standards may no longer be a certain legacy that can be passed on to our children and grandchildren. That prospect includes a clear possibility that some groups may be permanently prevented from leading productive lives. ◆

We have faced other crises—in peace and in war—throughout our history. In each instance, the key to our success has been the quality, flexibility and creativity of our people. Once again, our human resources—the workforce of America—must see us through the difficult period ahead. However, our labor force and our decisions about human resource investments will be put to sterner tests than we have experienced in recent decades. ◆

To remain competitive, employers will require a workforce with high levels of basic literacy and skills and an ability to meet the rapidly shifting demands of an increasingly technical workplace. At the same time, there is mounting evidence that a high proportion of potential job entrants—and workers already in the labor force—are ill-equipped to staff our offices, hospitals, laboratories and technical facilities. This mismatch is likely to increase at the same time that the number of new workers actually diminishes through the Year 2000. While these trends pose a serious threat to continued economic growth and prosperity, they also offer an unprecedented opportunity to provide employment to all those Americans who, in the past, have remained at the margin of our society. ◆

We must decide as a nation whether or not we are prepared to respond to these two interdependent problems—a widening gap between the skills of the workforce and the changing requirements of our economy—and, at the same time, seize the opportunity to offer gainful employment to all our citizens. ◆

We believe that the answer must be strongly in the affirmative. ◆

In accepting the charge of the Secretary of Labor to assess the past and help chart the future of the Job Training Partnership Act (JTPA), it became quickly apparent to us that our mandate must be viewed in the broader context of our nation's future overall human resource policy. ◆

JTPA is the central instrument of public policy designed to equip our economically disadvantaged older youth and adults with the skills needed for successful entry into the job market and to enable dislocated workers to become reintegrated into the economic mainstream. However, a host of other government programs—

vocational education, the new JOBS program for welfare recipients, vocational rehabilitation and the public Employment Service to name a few—also bear directly upon the training and employment of American workers. ◆

Our immediate objective in undertaking an examination of JTPA was, first and foremost, to help make it a more effective instrument in bridging the skills gap for those who are unemployable in today's and tomorrow's labor market. Specifically, we sought to determine:

- How best to refocus JTPA to assure that, in fact, it reaches the economically disadvantaged youth and adults who are in special need of training in order to obtain and keep productive employment; and
- How to enhance the productivity of the JTPA system in achieving its objective.

Over the longer term, however, it is our hope that this review of JTPA will be the first step in a continuing process of building a broader, integrated human resource delivery system at the local level. Our working assumption is that although much greater investments are needed, the Federal budget deficit precludes a major expansion of resources for JTPA, which now serves less than 5 percent of its eligible population. That assumption extends to the other human development programs as well. However, if properly coordinated, the resources available under a wide range of Federal programs can be deployed to expand the number of disadvantaged and dislocated workers served, and extend the range of services available to these individuals. In this era of budget stringency, particularly, we should no longer accept a fragmented, uncoordinated approach to the delivery of human services. It is inefficient, wasteful and frustrates the consumers of these services: both those who seek training and their potential employers. ◆

We believe that the JTPA system can bring together local human service agencies and organizations and serve as a catalyst in developing a more cohesive service delivery system at the local level. JTPA is uniquely positioned to accomplish these goals because of its principal strengths:

The existing public-private partnership reflected in JTPA's local Private Industry Councils brings an objective focus to policy development that is unique in public programs. It has also increased the awareness of major public issues among key private sector actors. The PICs have the potential for creating a broader working partnership with local elected officials, local school districts, social and community-based organizations and other human service deliverers to further the objectives of an integrated local human resource delivery system.

The pivotal role of the states in JTPA management has been demonstrated in many parts of the country. The Governors are in a position to make coordination more than rhetoric, and their State Job Training Coordinating Councils can become the basis for a strong interagency and private sector policy board for all workforce investment strategies.

A local system accountable to the public, that is designed and managed to produce results measured by performance standards has earned JTPA high marks. The combination of local creativity and strict accountability for outcomes can be applied more widely to human service programs.

As the Committee approached the review process, we recognized that the strengths of JTPA had been amply documented in the program's record of achievement. More economically disadvantaged persons have been enrolled than is required by law; job placements after training have exceeded performance expectations; and a new, vital delivery system, energized by private sector and community participation, has been put in place. ◆

We were also aware of the issues raised by the program's critics. Some members of Congress, academic experts and interest groups have expressed concern about the program's effectiveness in reaching those in greatest need and providing services to assure their long-term employability. ◆

During our seven months of deliberations, we attempted to probe beyond both the record and public perceptions and to examine, in depth, the issues we believe are at the heart of the debate on the future of JTPA. ◆

Through the Committee's membership, we were able to bring to the table a unique convergence of interests: the economic requirements of business; the needs of the clients to be served; and the technical expertise of the employment and training system itself. We had the benefit of hundreds of comments from interested organizations and individuals in response to the Department's *White Paper* on JTPA issues. We reviewed the results of dozens of conferences, seminars and hearings, held under state and local auspices, for the express purpose of informing the Committee's deliberations. With staff assistance, we reviewed the extensive research and evaluation literature of JTPA and its predecessor programs. ◆

Our review focused primarily on the training of disadvantaged youth and adults under Title II of the Act. On the basis of this searching inquiry and the spirited debates of our five Committee meetings and numerous subcommittee sessions, we have reached a series of conclusions about the future direction of the JTPA program. ◆

It is our general assessment that the basic mission of JTPA—training economically disadvantaged and dislocated workers for gainful employment, increasing their earnings and reducing welfare dependency—is precisely the correct role for employment and training programs in today's labor market. The economic imperative of global competition and employers' increasingly critical need for well-trained workers confirm the correctness of JTPA's original mandate. We also believe that the effectiveness of the structure of JTPA has been proven by experience and should be retained. ◆

However, while strongly reaffirming JTPA's basic mission and management structure, we are equally convinced that, building upon more than five years of experience, we can do a far better job of carrying out that mission and increasing the productivity of the program. Twenty-eight recommendations are advanced to that end. However, we believe that of these, seven major proposals are particularly critical to efficiently targeting and leveraging the limited resources available under JTPA to assure that they will have the maximum impact on the nation's emerging labor market problems:

Target the program more directly on those disadvantaged persons with serious skills deficiencies. Within the eligible economically disadvantaged population, a significant majority of those served should either be seriously deficient in basic skills or be welfare recipients—those targeted for service under the Family Support Act JOBS program and those with a history of substantial dependency.

Individualize and substantially intensify the quality of services provided. In-depth diagnostic assessments should be universally available to JTPA enrollees and, on the basis of those assessments, remedial developmental services focused on literacy and job skills should be provided on a more flexible and customized basis than is currently the case.

Realign the services currently authorized for youth into a new, consolidated year-round program title for at-risk youth with increased

funding. The activities and resources currently authorized for youth under Title IIA and IIB should be consolidated into a new comprehensive program title to provide intensive preventive and remedial services, year-round, to in-school and out-of-school youth who are at risk of failure in school and in the job market. The Youth Title should receive a modest net increase in funding of 500 million dollars and be designed to allow maximum integration with services provided by schools and other government and community agencies.

Redesign outcome measures to reflect more accurately the program's goal of increasing the long-term economic self-sufficiency of participants. The primary program outcome measures for adults and out-of-school youth should be their increased levels of competency, the quality and wages of the jobs in which they are placed and their long-term retention in the labor market.

Substantially relax program constraints to increase the responsiveness of the system overall and to improve its capacity for effectively serving participants with serious barriers to employment. Having more carefully specified enrollment priorities, targeting and outcomes, it is desirable to encourage maximum local creativity in determining the mix of services provided to individual participants. This would include relaxing current constraints on work experience, stipends/achievement awards, and cost categories.

Increase the productivity of the JTPA system by undertaking a major training and research effort to improve program quality and build the capacity of the staff who administer and deliver the program at the state and local levels. A multi-faceted technical assistance effort is needed, under strong federal leadership, to train state and local staff in "state-of-the-art" systems of basic education, skills training and data management. The national JTPA research and development program should be reoriented to provide information and pilot testing to support both capacity-building and program improvement efforts. A specific scenario for Pilot Projects is described in the concluding section of this report.

Create expanded public-private partnership arrangements to achieve linkages between JTPA and other human resources programs in order to serve a larger proportion of the eligible population more effectively with a broader range of services. Building upon existing institutions, such as the Private Industry Councils and the State Job Training Coordinating Councils, partnership institutions at the national, state and local levels should foster greater interagency collaboration in the planning and delivery of services to the disadvantaged, dislocated workers and other groups in need of assistance to qualify for employment. To facilitate this linkage process, federal agencies serving similar client groups should adopt common outcome measures.

These new directions and other areas of recommended action are discussed in the pages that follow. ◆

They represent an agenda for change. ◆

While acknowledging and accepting the unique strengths of the JTPA system, we propose to reorient it to become more closely in tune with the rising skill requirements of employers and the alarming basic skills deficiencies of the youth and adults who are available for work. We propose a more efficiently managed, technically competent and fully accountable system. ◆

We believe that this policy agenda is an important first step—but only a first step—in reassessing our overall approach to human resource policy in the United States. The federal investment in education, training and related programs can no longer be viewed as investments solely in social equity and tranquility, as they were in the 1960's and 1970's, but must be reevaluated in the context of the economic realities of the 1990's and the next century. It is our hope that this review of the JTPA program will contribute to a national dialogue and offer a starting point for building an integrated human resource delivery system in the communities of our nation.

AN AGENDA FOR CHANGE

SHARPENING THE FOCUS

The JTPA system must be repositioned to respond rapidly and effectively to the changing environment described in the introduction to this report, while taking full advantage of the unique strengths of the system: the partnership management structure; the accountability framework for decision making; the mechanisms that encourage creative responses to local needs. ◆

In our judgment, JTPA's focus can be sharpened in a number of important ways in order to maximize the impact of this important instrument of public policy. Specifically, we support tightened targeting at entry and strengthened performance outcome standards at exit, revised funding formulas, and increased quality of training investments. ◆

Determining eligibility for participation in JTPA-funded programs and targeting those in need of services are interdependent processes. Eligibility criteria answer the question, "Who should be eligible for enrollment?" Targeting criteria help to address the related question, "Who from among those eligible should actually be enrolled or receive priority in the provision of services?" ◆

Under current law, eligibility for participation in the basic Title IIA and the Title IIB summer program for youth is quite broad, encompassing all of those who are "economically disadvantaged." This is important for emphasizing the purpose of JTPA—to provide training primarily for those with limited financial means. ◆

However, JTPA is not an entitlement. A finite amount of funding is appropriated by Congress each year to provide services that, at current appropriation levels, reach less than five percent of those eligible for participation. Therefore, of necessity, a priority for service must be established among those who are eligible. JTPA's targeting provisions should insure that the public investment in training yields the largest return. ◆

Accordingly, we devoted particular attention to questions of eligibility and targeting. We considered the general perceptions of "creaming" in these programs. The relationship between JTPA's service population and those of related programs also became a prime area of discussion, especially following the October signing of the Family Support Act of 1988, which created the Job Opportunities and Basic Skills (JOBS) program for welfare recipients. ◆

Out of this process, we determined that JTPA needed to target its resources more effectively by focusing primarily on those who have low incomes and lack the basic skills necessary to perform well in the labor market. There were three essential elements underlying the rationale for tightening up entry to the system:

- The demographic realities of the 1990's brought to public attention in the *Workforce 2000* report will not go away. Declining birth rates over the past decade have eroded the traditional sources of new workers. Employers are faced with the need to reach out to the less qualified to fill their entry level positions. These new workers will come from groups historically underserved by human resource investments and they will have to meet the rising skill requirements of the workplace.
- The nation's future success in international competition may depend largely on how well its least productive workers can be made more effective members of the workforce. With projected workforce shortages, it will be incumbent on the nation's employers to make the best possible use of workers who have not had prior opportunities to fully participate in the labor force. Worker surpluses in the past gave rise to overconfidence about our ability to compete internationally.
- There are significant intergenerational dimensions to poverty and unemployment that JTPA can help to mitigate. The correlation between family poverty and poor performance in school or in the workforce is high. Better employment and employability for one generation through the effective intervention of JTPA and related program investments can help to break this cycle of debilitating poverty and dependence.

RECOMMENDATIONS.

With the exception of in-school at-risk youth, we support the current legislative eligibility requirement which provides that 90 percent of all enrollees be economically disadvantaged. The following recommendations are intended to bring about tighter targeting of the available resources on those within the eligible population who are in need—defined in terms of skills deficiencies or other proxies—and for whom real program impacts are to be expected.

RECOMMENDATION #1:

A Substantial Majority of Adult Enrollees (22 and Over) Should Be Lacking in Basic Skills (Reading or Computing Below the 8th Grade Level); Or

Welfare Recipients Targeted for Service Under the Family Support Act JOBS Program, and Other Welfare Recipients Who Have Shown Substantial Dependency.

According to the most recently available figures, approximately 94 percent of JTPA Title IIA participants are economically disadvantaged, more than required by the Act. However, not all economically disadvantaged individuals have serious skills deficiencies or are welfare dependent, groups for whom job training programs have demonstrated some of their most impressive impacts. At the same time, while some 56 percent of JTPA enrollees are high school graduates, studies have shown that a high school diploma is no guarantee of basic skill competencies. This recommendation would produce tighter targeting on groups with assessed skill deficiencies and welfare dependency, not unlike that recently enacted for the JOBS program. ◆

Programs should seek to serve those individuals for whom real program impacts—as distinct from apparent outcomes—will be the likely result. This distinction was critical to the Committee's analysis of experience under JTPA and to our recommendations for changes in targeting under the program. The short-term outcomes of participants' enrollment in JTPA have been positive. More than 60 percent of program completers have been placed in jobs. However, the long-term *impact* of the program on participants is not yet known. This will involve determining the extent to which these successful outcomes might have been achieved without program intervention. Ongoing controlled studies will give us the answer to this question by the early 90's. ◆

However, available research evidence does provide guidance on how we can enhance the impact of JTPA programs. Findings indicate that the impact on less employable individuals is far greater because they would not have been successful in the job market without the assistance of the program. Therefore, JTPA should reach out to enroll those who do not have a chance to succeed in the labor market without sustained intervention. We cannot afford to spend our limited training dollars on those who are very nearly job-ready or who can make it in the labor market without our help. ◆

JTPA should focus on creating added value—in the form of enhanced skills and literacy levels—to the capabilities of workers now available but not in the workforce. Bringing more trained workers into the labor market is desired by employers and potential employees alike. Aggressive outreach efforts and linkages with community-based organizations and other human development systems (i.e., education, social services) will become increasingly critical. ◆

Therefore, the eligibility and targeting criteria for JTPA should complement, not conflict with, the provisions of related human resource programs, such as education and the new welfare JOBS effort. Each of these systems has a major role in addressing the needs of the 1990's, and each has its own tools for doing so. Because their missions and service populations overlap to a large extent, JTPA and other programs need to ensure that their eligibility criteria are compatible. At one level, this could result in "seamless" programming and single-form applications covering all related programs locally. Or, it might suggest legislative or administrative agreements to accept other agencies' definitions of need—such as eligibility for public assistance, Chapter I or school lunch programs—as sufficient documentation for JTPA program services. ◆

This recommendation calls for a "substantial majority" of enrollees to be those with either basic skills deficits or dependence on welfare. We recognize that

there are others who have significant barriers to employment that warrant JTPA intervention. Their characteristics will vary from area to area, but will certainly include the elderly, the disabled, those with limited English proficiency or limited work experience. Tighter targeting does not imply the elimination of local PIC discretion in the selection of participants. Final participant selection will remain a local decision, but within limits narrowed to reflect both the potential for real program impacts and the needs of the workforce and workplace.◆

RECOMMENDATION #2:
A Substantial Majority of Out-of-School Youth Enrollees (Under Age 22) Should Be Either Dropouts, Welfare Recipients or Lacking in Basic Skills (Reading or Computing Below the 8th Grade Level).

Older, out-of-school youth—many of them dropouts—are fast becoming the lost and "forgotten half," according to recent studies of the problem, and renewed emphasis on these youth is needed, including aggressive efforts to identify, recruit and enroll them in JTPA programs.◆
These non-college bound young people have seen their economic prospects erode in recent years. Most of these youth—regardless of their race or ethnic background—are earning less than their counterparts did 15 years ago. Research indicates that additional education and training for this group can have a substantial payoff in enhanced employability and increased annual income.◆

RECOMMENDATION #3:
JTPA Services for In-School Youth Should Be Targeted to Students Aged 14 and Over Who are at Risk of Dropping Out of School or Failing in the Labor Market. Eligibility for In-School Youth Should Be Defined in Terms Compatible With the Educational System; e.g., Chapter I of the Hawkins-Stafford Elementary and Secondary Education Act, or the School Lunch Program.

JTPA's mission should encompass both preventive and remedial strategies. Since those who are encountering labor market difficulty and those who are at risk of doing so may have somewhat different characteristics, the criteria established for eligibility should be designed to accommodate those needing assistance to prevent a fall, as well as those requiring help in getting back on their feet.◆
The criteria should be compatible with the classification systems of other institutions who have responsibility for youth, primarily schools, so that institutional collaboration is facilitated and so that youth are not subjected to additional stigmatization. For these reasons, we are recommending that JTPA's eligibility for in-school youth utilize criteria such as attendance, grade retention or deficient academic performance to better target services on those youth most at risk of dropping out or failing in the labor market. Those criteria should be jointly established by the JTPA and educational systems, and should aim at ensuring that JTPA and school dropout prevention resources and transition from school to work programs are integrated and mutually supportive.◆

RECOMMENDATION #4:
The Existing 10 Percent "Window" for Eligibility Should be Retained.

Eligibility criteria should be broad enough to acknowledge differences in labor market needs and demands. Non-disadvantaged persons with barriers to employment should have access (albeit limited) to program services. For example, the motivated, unskilled workers whose dead-end, day-labor jobs put them above the income eligibility criteria, but who remain well below employers' minimum requirements, represent a likely target for JTPA services. Similarly, as the child support provisions of the Family Support Act become effective, absent parents who are tapped for support payment obligations, but are unemployed or just poorly paid, need to find a way into JTPA.

There is some evidence that persons who are "poor" by local standards in high cost urban areas may be excluded from service. Meeting the needs of all or some of these groups could be accomplished through the use of the 10 percent "window."◆

The allocation of JTPA resources directly or indirectly affects who is served, the types of services provided and the outcomes expected. If the eligible population or those targeted for service in JTPA happens to reside in areas not receiving appropriate funding amounts, service inequities will result.◆

The current JTPA allocation formula has been widely criticized for two major deficiencies. First, the formula does not sufficiently target resources to the eligible population: only one-third of the funds in Title IIA are distributed on the basis of relative shares of the economically disadvantaged population; two-thirds of the funds are distributed on the basis of relative shares of the unemployed, a subgroup receiving little attention in the legislation. The result has been that many local Service Delivery Areas (SDAs) face significant funding shortages relative to their level of need. Second, the formula produces funding instability. Because of fluctuations in unemployment and the use of excess (over 4.5 and 6.5 percent), so-called "threshold" unemployment factors, SDA-level funding shifts a good deal from year to year, hampering local PICs' ability to engage in long-term planning or to build strong service delivery capacity.

RECOMMENDATIONS.

We believe that the existing allocation formula should be modified. Our recommended changes in JTPA's targeting provisions reinforce this necessity. After considering past and present research on allocation formulas for job training programs, Departmental staff briefings and the comments presented in the many public hearings throughout the country, we arrived at the following general recommendations concerning the resource allocation formula for JTPA, but we caution that any changes in the allocation formula should be phased in over time to minimize disruptions in service delivery.

RECOMMENDATION #5:
Program Funding Should Follow the People to be Served. The Dominant Factor in the JTPA Allocation Formula Should Be The Relative Number of Eligible Persons in a Jurisdiction, Whether at the State or SDA Level.

Data on economically disadvantaged individuals are collected only in conjunction with the decennial census. Thus, JTPA allocations on the basis of this factor will be made for Program Year 1992 using data collected some 12 years earlier in 1980. While methodologies have been developed for "updating" the data between the decennial censuses, these are useful mainly for poverty data at the state level. Reliable substate estimates remain elusive, requiring substantial additional research and improvement. An effort needs to be undertaken to explore possible ways to update decennial data on the economically disadvantaged, including separate data for youth. The feasibility of obtaining data for target groups, such as school dropouts and welfare recipients, also needs to be aggressively explored, since the allocation formula should permit funding to follow the targeted population. Attempts to seek proxies for census data should be encouraged.◆

Complete elimination of unemployment (or other measures of the tightness of the labor market) as a factor is not warranted. During periods of high unemployment, individuals seeking jobs face increased difficulty in finding them, thus potentially increasing the number of people seeking JTPA services. However, research suggests that a high unemployment rate in a local area is not the best indicator of the presence of large numbers of disadvantaged individuals, whom the program may be designed to help. There is a limited overlap between the economically disadvantaged and the unemployed population. The economically disadvantaged, often referred to as the "discouraged workers," who may not be actively seeking employment, are therefore not included in the official tabulations of the unemployed. The two populations tend to have different geographical distributions, as well as little consistency in socio-economic characteristics. In addi-

tion, unemployment rates are subject to excessive volatility. Thus, the Committee has recommended making therelative share of economically disadvantaged persons the dominant factor in the allocation formula, while retaining a lesser-weighted unemployment factor. ◆

RECOMMENDATION #6:
Due to the Volatility Resulting From Their Use, Threshold Unemployment Factors Should Not Be Incorporated Into the Allocation Formulas.

For the reasons given above, unemployment threshold factors—especially those now used for unemployment in excess of 4.5 and 6.5 percent in states and SDAs—should be avoided. Slight changes in the rate of unemployment around the critical threshold values, while indicating only marginal change in the environment, tend to produce wide swings in funding. The adverse affects of these swings on planning and service provider capacity over time can cripple even the most effective programs and undercut staff morale. ◆
We suggest, however, that some consideration might be given to including a measure of "excess economic disadvantage" in the formula to ensure that areas with high concentrations of disadvantaged persons, receive adequate funding. This will tend to target funds to depressed areas, where problems are most severe. ◆

RECOMMENDATION #7:
The Allocation Formulas for JTPA Should Include Appropriate "Hold Harmless" Provisions.

Funding volatility has been a major cause for concern with JTPA at the state and local levels. This volatility has resulted in part from the use of threshold unemployment factors in the formula, but it has also occurred due to the absence of mechanisms designed to minimize the magnitude of year-to-year funding shifts, so-called "hold harmless" provisions. Until recently, the allocation formula in JTPA had no such provisions at the local level. To ensure relative funding stability for states and SDAs over time—and to promote thoughtful planning and enhance the capacity of service providers—the Advisory Committee supports the inclusion of appropriate "hold harmless" provisions in any and all JTPA allocation formulas. ◆

The essence of JTPA's intervention in the labor market is its investment in training. JTPA offers a wide array of activities and services that, in the aggregate, constitute this "working capital" investment. The extent to which it has an impact on an individual participant's employability and later experiences depends on both its quality and its intensity, relative to the participant's needs and aspirations at entry and the state of the local labor market. ◆

Four major forces drive the activities and services the JTPA system provides: the workforce requirements of employers; the needs of individuals the programs aim to assist; the availability of quality services from a broad array of providers; and the availability of requisite services from related human development systems and employers. ◆
In some respects, employer needs remain constant over time: firms need dependable, hardworking employees who understand and adhere to the discipline of the workplace and the expectations that govern the typical American workplace. In other respects, employer requirements are changing rapidly: the expanding service economy, the increased use of technology and more flexible production techniques require greater literacy and numeric skills among a wider spectrum of the workforce. And, in a growing number of industries, even entry-level employees must be able to define production or service delivery problems and contribute to designing their solution. One example: the following item appeared in the December 21, 1988 edition of the *New York Times:*

Wanted: Floor sweeper.
Required: The ability to operate electronic controls on a cleaning machine and to mix ratios of water and cleaning solution accurately.

While employer needs are expanding, so are those of the available workforce. A more slowly expanding population, with a large and growing share of its members coming from economically and educationally

disadvantaged backgrounds, is simply not producing enough workers with sufficient skills to meet employer needs. The large numbers of young females who have sole parenting and financial responsibilities will provide special challenges that must be addressed by trainers and employers.◆

Employers tend first to seek out, hire and train the most job-ready of this shrinking pool of workers. Those that are left will not be immediately ready to meet the rigors and requirements of available jobs—although they will eventually be needed if employers are to compete successfully in the face of worker shortages. It is this group that JTPA must locate, enroll and provide with skills and behaviors sufficient to succeed in the labor market.◆

Decades of experience with training programs indicate that it is neither a cheap nor quick task to prepare such individuals for employment. They often have multiple obstacles to achieving a decent life and labor market success: poor education, lack of income, small children to care for, lack of experience in either securing or holding a job, or pressing health problems. These obstacles are often accompanied by a low sense of confidence, an eye quick to spot defeat and, sometimes, an unrealistic notion of the time and effort required to achieve self-sufficiency.◆

Whatever the particular mix of problems, successful intervention on behalf of these individuals necessitates a broad mix of services, support and supervision that is individually tailored. That tailoring applies to the timing of the provision as well as the termination of these services, so that the skills, behaviors and attitudes necessary for long-term success are acquired and internalized by JTPA participants without promoting any further sense of dependency or defeat.◆

Some of the services required—for example, child care, transportation, counseling—may often be available from other public agencies or even from employers themselves, and may not require JTPA funding. However, the availability of particular services and service providers for JTPA participants varies widely by jurisdiction, making it difficult and inappropriate to prescribe at the federal or even the state level which services should be provided and financed by JTPA, and which by other sources.◆

The forces that most influence the nature of the required JTPA investments all point to the need for a job training system with the service mix largely determined by local program managers responding to local needs. The creative local partnership, comprised of its private and public members, is best suited to make these decisions, within quality parameters established at the federal and state levels. Moreover, the nature of this investment must also be shaped by the experience of the last 25 years, which has shown that increases in participants' earnings and self-sufficiency are accomplished largely through services providing enough content, challenge and support to improve individuals' opportunities and capacities to capitalize on them.◆

The JTPA program has been criticized for providing a level of services that does not result in long-term job retention. The following recommendations are designed to make significant improvements in the long-term employment and earning prospects of participants.◆

RECOMMENDATIONS.

Over the last two decades, we have learned a great deal from large social demonstration projects with credible research components. They have consistently demonstrated the lack of connection between "pleasing" short-term performance, such as low costs and high placement numbers, and real impacts on the long-term employment and earnings record of participants, particularly women and youth with multiple labor market deficiencies and barriers. Building on this knowledge base, we offer the following recommendations to improve the quality of programming:

RECOMMENDATION #8:
Renewed Emphasis Should Be Placed on Strengthening the Local Role (PICs and Local Elected Officials) in Planning and Fostering Integrated Service Delivery to Meet Local Labor Market Needs.

Only at the level of employer and job seeker—the two customers of the employment and training system—can the system fashion an investment responsive to the long-term needs of both. Within local communities, a whole range of service deliverers—from community colleges to community-based organizations, from technical institutes to private employers—are developing training curricula and teaching techniques to prepare the work force. Some are more innovative or more effective or more expensive than others. PICs and local officials must make the critical and timely decisions. They must determine the skill demands of the local area, reach out to enroll those most in need of skill development, articulate the services and outcomes required to meet needed skill levels and assure the labor market success of participants, select the service providers best able to deliver the desired services, develop the most cost effective quality assurance contracts for service that links payment to delivered outcomes for targeted individuals, arrange linkages with partners in the human development field for needed support and development services, and then manage and monitor the entire process for results. These are awesome responsibilities that must be clearly articulated, understood and accepted. But it is the local base for this decision-making that is critical. Local decisions are most open to public scrutiny and most responsive to changing local conditions.◆

RECOMMENDATION #9:
Every JTPA Program Should Provide a Diagnostic Assessment and Assignment Process and a Mix of Services Individualized to Address Participant Needs.

Only after participants' work history, job and educational skills, interests, health, motivation and life circumstances are reviewed and documented, can they be used to establish the services individuals should receive and their obligations while receiving those services.◆

Assessment instruments are being developed or are in use across a wide variety of program activities and with varied target populations. They will be used, for example, to diagnose the needs of welfare recipients to be trained with resources to flow from the Family Support Act. Public schools are familiar with many basic skills assessment tools as well.◆

State and local programs need to pay greater attention to the criteria by which applicants are assigned to services and should collaborate on developing assessment tools that serve similar clients with multiple program needs. One promising effort to develop an assessment tool with broad applications within JTPA is the pilot Project of the States which is working toward criterion-referenced tests which can be used across a range of labor markets and have the added advantage of focusing remedial education on functional basic skills desired by employers and demonstrated to be vital in both work and personal life. The ongoing effort to develop and implement national assessment tools and standards should be supported with substantial technical assistance from the federal level.◆

Participation in customized and individualized multi-component programs will improve long-term prospects for multi-problem enrollees. An SDA's package of services should include appropriate and creative combinations of the following: vigorous outreach activities; support services with maximum participant access; allowances, stipends or incentive payments; work experience; remedial education for adults and youth; functional job skills training; motivational training; on-the-job training (OJT); and other labor market linkages such as job clubs, job search and post-program support. If all these services are funded by JTPA, as may be necessary in many areas of the country, the increased costs for each participant will constitute a substantial, but necessary and wise investment.◆

Training—It ain't

what it used to be!

RECOMMENDATION #10:
To Increase the Responsiveness of the Job Training System Overall, and Especially to Enhance its Capacity for Effectively Serving Participants with Greater Barriers to Employment, Certain Existing Program Constraints Should Be Substantially Relaxed:

A Three Existing Categories (Administration, Supportive Services and Training) Should Be Replaced by Two Primary Cost Categories—Management and Services, and the Present Cost Category Constraints Should be Relaxed.

We regard the existing cost categories related to support services, training and administration as unduly restrictive. If local programs are to serve more at-risk populations, they should be allowed to provide and finance adequate outreach, health, child care and motivational services to support and foster longer-term enrollment. At-risk populations with multiple barriers to employment need an integrated array of services, which should not be subjected to arbitrary restrictions as to relative distribution of expenditures. Therefore, determining where "training" ends and "support" begins is often an arbitrary exercise. For that reason, we favor only two cost categories: management and services. Management activities should include most of those expenditures now classified as administration; services would include everything else. ◆

Keeping a more targeted population enrolled for the longer developmental training required to produce substantial program impacts in terms of earnings and dependency will present a special challenge to local program providers. It is unrealistic to expect those individuals least able to fend for themselves—and for their children—to undergo lengthy periods of training without the wherewithal to subsist. Therefore, we recommend relaxing restrictions on the use of stipends, incentive awards, learning reinforcement payments and/or bonuses by local PICs to help implement the more intensive training packages needed for individuals with multiple barriers. ◆

The 15 percent cap on administrative services makes no distinction between the resources available to large and small SDAs or to the distinctions between urban and rural administrative challenges. Yet, all face comparable and growing regulatory responsibilities. Under JTPA, we expect program administrators to maintain and carry out: complex management information systems; sophisticated contracting and grant management systems; eligibility verification procedures; monitoring of service providers; long-term follow-up and tracking of clients; creative collaborations with other human service providers; in addition to conducting more vigorous outreach efforts and developing assessment tools and individualized service plans. These administrative/management services are critical to the success of the JTPA program and to the quality of services provided to its enrollees. The present 15 percent administrative cap also presents serious problems to service providers in many areas where SDAs are left with insufficient administrative funds available to "pass through" to them. These conditions often give rise to less than optimal practices in an effort to "bury" the requisite management responsibilities and costs in other categories through the use of elaborate contracting arrangements. A mechanism for raising the limit for justifiable management expenditures from 15 percent to 20 percent should receive serious consideration. ◆

Work experience—when coupled with remedial education and/or classroom training—can be a valuable and effective developmental tool, particularly

for the populations recommended in this report for priority service. The restrictions on the use of work experience imposed during the framing of JTPA should be relaxed. Enactment of tighter enrollment and performance standards, together with greater private sector oversight and involvement at the local level, appear to provide adequate controls. It could be unduly constraining to continue to limit an activity that, if operated appropriately, has the demonstrated ability to produce real impacts for key groups, including at-risk youth and economically disadvantaged women. With the new national interest in community service projects, well-designed work experience activities should once again be available. ◆

Since the Committee is recommending a tighter, more targeted approach to both participation and program outcomes, it believes that many intermediate arbitrary constraints in the present law can be surrendered. ◆

RECOMMENDATION #11:
Collaborative Efforts Among Schools, Business Communities and JTPA to Keep At-Risk Youth In School, and Get Out-of-School Youth Back in School or in Training Programs, Should Be Encouraged Through Incentive Awards, Technical Assistance and Joint Planning Requirements.

High dropout rates in urban public school systems, high rates of illegitimate births by teenagers, low reading and numerical skills, drug usage, rising crime rates for younger youth, poor labor market conditions— each of these problems seems to reach record highs every year and, if unchecked, the consensus among both political parties and leaders from all sectors of the economy is that the implications for our economy and political system could be severe. ◆

Redirecting and improving the use of JTPA resources for such at-risk youth will require a variety of approaches and changes:

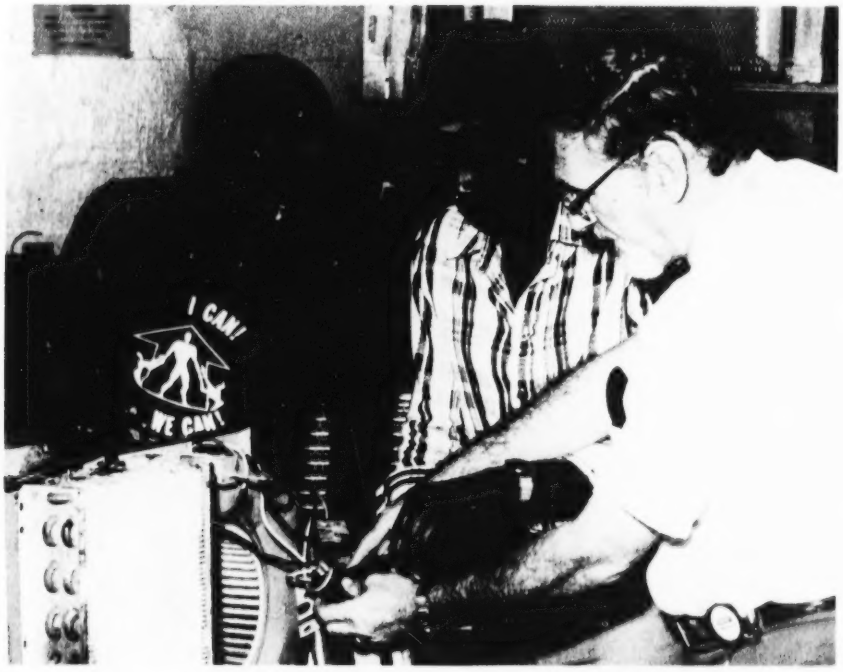
- greater flexibility for SDAs in offering the kinds and duration of services that youth require to become effective and lifelong workers;
- greatly reduced emphasis on low cost and high job placement rates as measures of success;
- more active leadership from the federal and state levels, including the use of incentives and special project funds for SDAs with high proportions of at-risk youth, and for those who undertake innovative and substantial collaborations with the schools, local business and community institutions;
- greater emphasis at the federal level on devising and testing multiple service programs that can attract and retain high-risk youth and provide them with the skills, incentives and adult supports that will promote long-term labor market connections; and
- creation of a more formal commitment and structure to promote the packaging and replication of effective service components or program approaches.

In short, to meet the challenge of strengthening the labor market prospects of at-risk youth, JTPA must extend its capacity beyond the usual division into summer and school-year programming; and beyond the usual distinction between schools, employment/training and social services. Collaborative, multi-service strategies should be JTPA's aim, and JTPA should have the flexibility to provide whatever services are necessary to bring youth into the labor market. ◆

JTPA's commitment to and effectiveness with at-risk youth will be the ultimate measuring rod of its usefulness and efficiency as a strategy to strengthen the human capital in our economy, and to alleviate the nation's most pressing social concerns. As noted in Recommendation #19, the Committee feels that creation of a separate youth title is a necessary step to highlight the importance of services to youth; constructive and concrete attention to the approaches and changes suggested above will give a new youth title the tools necessary to be effective.

CLEARER PROGRAM PERFORMANCE MEASURES

The simplicity and clarity of JTPA's mission and goals, combined with the performance standards and incentives that accompany them, gives the current job training system far more credibility and acceptability than in the past, both among employers and the broader community. Recommending the out-



comes by which program performance should be measured was one of the most critical decision areas the Committee faced. The choice of outcomes establishes many of JTPA's most basic program parameters, since, more often than not "you get what you measure." It is necessary to be very careful to measure those results which actually achieve the program's goals, and to collect the correct data elements that accurately measure performance. ◆ JTPA has been subjected to considerable criticism over the outcomes it has selected for emphasis. In the first few years of its existence, JTPA performance standards heavily emphasized short-run, termination-based measures of success, including placement rates, wages at placement and "other positive" outcome measures for youth. Average costs per placement (or costs per positive outcome for youth) have also been used. It has been argued—both by some researchers and by program operators in the field—that giving undue weight to these measures caused PICs and local service providers to serve a disproportionate number of individuals who already appeared relatively job-ready. That is, with the pressures to perform against short-run standards, some JTPA program managers allocated resources to those for whom good outcomes were likely. The perception of "creaming" has continued to haunt JTPA. ◆ The issue is not resolved simply by establishing longer-term outcome measures. While we commend the Department of Labor for establishing post-program performance standards, unless enrollment is further targeted, longer-term measures may provide increased incentives for program operators to enroll more employable individuals. This concern led us to two recommendations: that the program target individuals confronting greater barriers to employment, and that the system of performance standards promote effective services to a less employable population. Establishing longer-term outcome measures (such as employment retention and increases in earnings) makes sense only in the context of greater targeting on the more-in-need, for it is here that JTPA can hope to maximize the return on its investment in human capital. ◆

RECOMMENDATIONS.

JTPA has drawn its distinctive identity and gained widespread credibility in no small part from the emphasis it has accorded to program accountability. Particularly among employers, but also among program staff in job training and other systems and in the Congress, the fact that JTPA has a demonstrable "bottom line" has given it increased standing. There is absolutely no desire to retreat from the performance-driven system created with JTPA in 1982. ◆ However, JTPA must more clearly demonstrate its contribution to the economy's productivity in part through its selection of outcome measures. Training programs increasingly are being asked to meet the needs of both potential workers and their employers, with added pressure likely as labor shortages increase in the 1990's. JTPA must be able to show that its programs produce workers with added value sufficient to provide employers with the capacity to produce effectively. ◆

Within this context we offer the following major recommendations regarding JTPA performance measures:

RECOMMENDATION #12:
The Primary Program Performance Outcome for JTPA Adults Should Be Job Placements and Employment Retention. JTPA Programs Should Particularly Seek Jobs With Career Potential, Employee Benefits and Wages That Will Allow Individuals and Families to Become Self-Sufficient.

While other measures may also be desired for adults, job placement and employment retention (not necessarily of the placement job) must be part of a set of performance standards implemented for job training programs. ◆
While the research findings on the degree to which placement and retention predict longer-term program impacts have been mixed, there are powerful reasons to keep them. Certainly, on a very basic level, attaining those outcomes communicates program success to both businesses and the community at large. Moreover, for a program that tightly targets those in need of services and aims to increase earnings, it is very difficult to argue that job placement and employment retention are not appropriate near-term outcomes. ◆

RECOMMENDATION #13:
An Intermediate Competency Measure Should Be Added To More Effectively Support Basic Skills Remediation for Adults.

Under the existing standards framework, the only acceptable outcomes for adults are placement-related. This placement orientation follows directly from the provisions of the Act and is a response to perceived difficulties under earlier programs. For youth, both in and out of school, non-placement outcomes related to academic credentialling are not only acceptable, they are encouraged and rewarded as an integral part of the performance incentives system. This situation has led to an imbalance in programs for adults and youth. Adults who apply to JTPA with serious skills deficits and poor work histories are less apt to be enrolled by programs than a comparable youth who may only be a year or two younger. Their employment prospects may be equally poor, but from the SDA or provider's perspective, the youth appears more "attractive" since, under current practices, the program can be rewarded for its efforts to serve him or her, while accomplishing something short of job placement. The Committee feels that this type of imbalance is counter-productive and can be easily remedied. ◆
The exact form a competency measure should take is not specified here. There are a number of options, including an employability enhancement measure similar to the one now used for youth, or a recognized measure of educational attainment such as the GED. Although it is important for competencies to reflect the needs of local labor markets and to have high PIC involvement, there is a need for national-state and state-SDA parameters governing competency measurement systems. If increased competencies truly are valued outcomes, as we believe they are, it is inappropriate to allow the variation that now exists. ◆

RECOMMENDATION #14:
Performance Measures for Youth Should Include the Acquisition of Work-Related Competencies, School Completion, and Entry Into Advanced Training, Education or Employment.

For in-school youth served by JTPA, appropriate outcomes should be related to competency attainment, school credentialling or entry into advanced education, training, or employment after graduation. ◆
Older out-of-school youth, particularly dropouts, should be encouraged and assisted in seeking education. JTPA may provide the skills, remediation and discipline necessary to enter more work/study or training programs. Creating the community linkages that maximize these opportunities should be part of the local JTPA accountability structure. ◆

RECOMMENDATION #15:
Because of Their Effects on Both the Groups Targeted and the Services Provided, the Act's Current Performance Standards Should Be Modified in Three Key Respects:

A While Cost Measures Should Clearly Be Used for Day-To-Day Program Administration and Possibly Sanctions, They Should Be Excluded From the Performance Incentives Process;

B Near-Term Outcome Standards Should Be Valid Proxies for Desired Longer-Term Impacts;

C The Federal Government Should Develop Approved, Alternative Methods for Measuring Long-Term Income Gain and Welfare Support Reduction, Using Unemployment Insurance Wage Records, Social Security, the Ongoing JTPA Experiments Evaluation or Other Sources.

Experience has shown that incentive awards help to steer the system. Therefore, the outcomes used in the standards and incentives process should be such that managing towards them leads program operators to produce lasting results for their participants. Cost standards are important management tools in both the public and private sectors. They distinguish JTPA from other programs by presenting a "private sector face" to the national employer community. ◆ In JTPA, cost standards play substantially different roles at each governmental level. At the federal level, the cost standards—guidelines actually—can be used to indicate what the federal government feels is appropriate, on average, to spend for youth and adults to achieve certain outcomes. At the state level, the cost standards can be used by the state councils and governors to set some general guidelines and make some general comparisons among SDAs, adjusting for local economic conditions and the type of participants served, using the Department of Labor's or an alternative adjustment model. Locally, the local elected officials and PICs—typically with access to far more detailed cost information, including the contribution from other non-JTPA sources—can use cost standards to assess the cost effectiveness of their service providers for defined groups of participants. ◆ However, there are significant drawbacks to the use of cost standards for incentive awards given the limitations of the data and the adjustment model. It is impossible to make correct

judgments at the federal or state levels on the quality and efficiency of services based on cost information alone. For example, programs with a high cost per entered employment may be poorly managed or have very few options for coordination locally (e.g., rural programs) or may represent the results of an intensive investment approach; conversely, programs with low costs per entered employment may be operating well-designed interventions efficiently or serving job-ready clients in quick-fix efforts or doing a great job of program coordination so that non-JTPA contributions—none of which are reported federally—are maximized. Currently, there is no way to know these distinctions at the state level, where incentive awards are made, or to account for them in the performance adjustment model. Therefore, the Committee recommends that cost standards be excluded from incentive awards. ◆

In the continuing effort to manage programs that produce lasting results for participants, the process of seeking out and implementing valid short-run proxies for these long-term impacts is critical. Skill competency levels and wages at placement have

been suggested to the Committee as two such proxies. It is important that DOL maintain a continuous research effort designed to support the use of the right performance measures. ◆

The federal government should also take the responsibility for developing approved methodologies for measuring long-term income gain and reductions in welfare dependency. Trying to assemble this information at the local level through long-term follow-up or random sampling is inefficient and ineffective. Operating within federally approved guidelines, states have access to wage records through the UI system for more than 95 percent of American workers, and should be able to collect the requisite information. In addition, valuable data on long-term program impacts will be available in the early 1990s from the JTPA evaluation, which is using random assignments and control groups to compare outcomes over time. ◆

RECOMMENDATION #16:
Outcomes Should Be Based On Clearly Defined Data Elements and Systems.

In the business world, it is now widely accepted that the excellent companies define their expected results explicitly, and tightly measure performance against them, while allowing their producers to have discretion in how they attain those results. We suggest that JTPA emulate this model. To date, JTPA has tended to permit key elements of performance to be defined with great discretion. It is time to rectify this situation and reinforce the performance-driven character of the system. Even in a decentralized federal-state-local job training system, the fact that funds are overwhelmingly federal clearly argues for insisting on a high level of accountability. This would lead to higher levels of confidence that the programs are achieving constructive public purposes. ◆

RECOMMENDATION #17:
The Reliability and Consistency of Information Collected By JTPA Should Be Improved and Common Data Elements Should Be Developed in Order to Define and Measure Performance Consistently Across Programs.

Currently, states—and even SDAs within the same state—make use of different definitions for key terms that indicate when a participant begins a program—and is therefore "counted"—and when he or she ends program participation—at which time his/her status is recorded and reported. Standardizing the meaning of such terms as "enrollment," "termination," and "placement" throughout the system would improve the validity of national performance reports and create a level playing field for measuring outcomes in JTPA across states and SDAs within states. Further, a broad-based, inter-disciplinary group should work collaboratively toward the creation of a core of common and compatible data elements and program languages for JTPA, other DOL/ETA programs and closely related workforce investment activities, such as the Family Support Act (JOBS) and vocational education and rehabilitation. Compatible data elements and performance measures across programs will be conducive to greater collaboration and coordination and will permit programs and service providers to be more easily compared. ◆

RECOMMENDATION #18:
The Measurement of JTPA Outcomes Should Be Kept As Simple and As Focused As Possible.

It is axiomatic that, if all things are important, then none are. The fact is that there are now 12 national performance standards, many added governors' standards and numerous performance requirements in performance contracts. It is important that JTPA's mission not be diffused through the use of too many measures embedded in complex measurement and adjustment systems. Or, as the head of a federal task force on IRS penalties stated recently: "Rules lose moral force if there are too many of them. That's why there are only 10 commandments." ◆

AN AGENDA FOR CHANGE

INCREASING PRODUCTIVITY AND RESPONSIVENESS

The real work of job training has been and continues to be done in relative obscurity by thousands of individuals and organizations across the country; but the exciting potential for accomplishment in the job training system has not been fully realized. A relatively passive, administrative process has prevailed when an energetic, creative and focused effort is required. The emphasis should be upon management. The challenge today is to achieve high levels of performance by perfecting the practice of labor market intervention and by expanding its role among a host of related programs and systems. ◆

A coherent human resource development strategy is essential to achieving JTPA's workforce investment goals. But even managed at peak capacity, solving the nation's productivity problems and addressing its global challenges is more than any single program, agency or system can hope to accomplish on its own. In these times of constrained federal and state budgets and limited resources, what is needed is federally directed leadership that requires JTPA and related programs to actively collaborate, drawing from all available resources to provide a continuum of services. ◆

JTPA's program activities and management structures can be molded to fit the requirements of a future increasingly dominated by rapid change and uncertainty. On one hand, they will need to be agile, creative, adaptive and risk taking; and on the other, efficient, competent and highly accountable for results. In other words, they will have to possess many of the same features that distinguish the best and most successful companies they will interact with in the labor market. ◆

JTPA's passage in 1982 introduced fundamental changes to the job training system, most of which by now are well accepted and admired throughout the country. These changes included, among others: strengthening the role of local PICs and private/public partnerships generally; enhancing the role of states, especially governors and their State Job Training Coordinating Councils; and encouraging cooperative planning and other joint activities with the labor exchange system operated by the Employment Service. All of these changes were substantive and important; they have the potential for even greater advances in the future. ◆

JTPA must increasingly become a demand-driven system. To be demand-driven is to be driven by customer needs, those of both participants and employers. Participants' needs are defined by what they require to bridge the

gap between their current deficiencies and their career aspirations and opportunities. Employers' needs are defined by their hiring and advancement standards and their competitive positions. To be demand-driven is to accept the obligation to tailor services to meet individualized needs, whether those of participants or of employers. This, in turn, creates the demand for a structure with the capacity to plan, manage, deliver, track, account for and evaluate individualized services.◆

RECOMMENDATIONS.
This first set of recommendations encompasses changes in JTPA's own internal structure and operations. They speak to the way in which JTPA funding flows by program title. The types of changes recommended should be viewed as logical next steps along the path the job training system has been on for some time. They represent the system's evolution as a major player in a comprehensive array of systems.◆

RECOMMENDATION #19:
The Current JTPA Title IIA and IIB Structure Should Be Changed, Creating A Comprehensive At-Risk Youth Title For The Provision of Year-Round Services To Both In-School and Out-of-School Youth Between the Ages of 14 and 21 Years of Age, and An Adult Title Serving Those 22 Years of Age and Over.

RECOMMENDATION #20:
The Recommended Funding Split Based on Current Appropriations is 60 Percent/Youth Title, 40 Percent/Adult Title.

RECOMMENDATION #21:
500 Million Dollars Should Be Requested As An Additional Appropriation For The Newly Proposed Comprehensive At-Risk Youth Title.

There is a compelling argument for giving added emphasis, visibility and dollars to services for youth, based not only on the evident need for more preventive treatment strategies, but also on the fact that they will constitute an increasing share of the number of young entrants to the labor force.◆
The creation of a separate youth title will significantly broaden opportunities for collaboration between JTPA, local school systems and other community resources. Such opportunities should include joint identification of at-risk youth and collaborative planning of Chapter I, Vocational Education, Special Education, Adult Education and JTPA initiatives for both in- and out-of-school youth.◆
The rationale for recommending a separate youth title is augmented by a number of important facts. First, early research findings and changing labor market conditions indicate that year-round developmental activities may have a larger payoff for youth and employers than do the traditional stand-alone, summer employment programs. Second, older, out-of-school youth—many of them dropouts—are fast becoming the lost and "forgotten half." Renewed emphasis on serving these youth is needed, including

aggressive outreach efforts, since many of these youth do not respond to traditional intake activities. And, third, as stated previously, program experience has demonstrated a series of programmatic interventions that are particularly effective with youth, such as adult mentors, technology based instruction coupled with work experience, and community service, life skills and motivational training. ◆

We also recommend that the majority of funding in the youth title should be dedicated to out-of-school youth. This recommendation presumes that the current Title IIA requirement that 40 percent of the funds be expended on youth would be eliminated, with approximately that level of funding transferred to the proposed Comprehensive At-Risk Youth Title. It further presumes that the funding now in Title IIB as well as the newly requested additional appropriation would be incorporated into this title. We hope and expect that more limited JTPA funding will be used to leverage and supplement existing resources to serve in-school youth at risk of dropping out or failure in the labor market, thus freeing up the larger balance of Youth Title resources to focus on the difficult problems of the out-of-school, largely dropout population. ◆

Finally, we acknowledge that the future stability of the workforce and of the American family will depend on our ability to raise the aspirations, hopes, abilities and opportunities of all young people, particularly those now popularly referred to as "at risk" or more broadly, the "forgotten half." This challenge will require some institutional changes, new programmatic initiatives that may include community service, greater community involvement *and new investments*. Successfully serving "at-risk" youth requires intensive individual investments. These additional funds will be required in order not to reduce the number of young people served. Therefore, even in a time of fiscal restraint, we recommend this modest additional investment in the nation's future. ◆

RECOMMENDATION #22:
Current State Set-Asides of 5%, 3%, 8% and 6% Should Be Revised As Follows:

A Of the Total Resources Available in the Newly Proposed Adult and Youth Titles:

- **85% Should Flow Through To Local Areas**
- **15% Should Be Used in Approximately Equal Thirds By The States for Program Management, Incentives for Local Programs and Broad Capacity Building Activities.**

B A Higher Minimum Floor For State Management and Administration is Needed For Small States.

In the original design of JTPA, in addition to 5 percent for administration, a series of special set-asides were established to achieve specific program objectives at the state level: to encourage coordination between

education and training services (8 percent); to provide training programs for older individuals (3 percent); and to provide incentive grants for programs meeting or exceeding performance standards (6 percent). We believe these provisions need reconsideration. ◆

Decisions on the need for training older individuals are best made at the local level, where both demand and need can best be determined and met, as in the case of other target groups; therefore, continuation of the special older worker set-aside at the state level is not recommended. We also feel that coordination between education and JTPA systems will be considerably expanded through our recommendations for joint planning for intensive basic and vocational skills to in- and out-of-school youth and adults, as well as building new arrangements for integrated service delivery at the national, state and local levels. ◆

We did conclude, however, that it is essential that 15 percent of allocated funds be reserved for the Governor and that these funds should be used to strengthen state management of the program (including data collection), to build the capacity of state and local deliverers of program services, and to provide incentives for SDAs to move in new desirable directions. ◆

The system could benefit greatly from additional small scale experimentation and on-site technical assistance in management techniques and program design. Although we recommend these activities as appropriate for broad national sponsorship, individual state efforts need to be encouraged to nurture both a top-down and bottom-up improvement in quality and creativity. States should be encouraged to foster experimentation and pilot projects, and after appropriate evaluation, undertake aggressive dissemination and technical assistance efforts to help replicate promising strategies and improve local services. Stronger inter-state communication and knowledge transfer would improve the capacity and the quality of the entire national training system. ◆

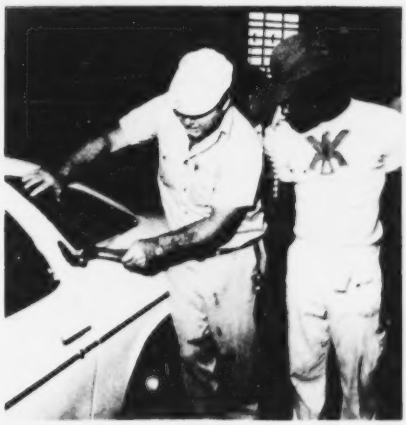
Incentives play a significant role in changing bureaucratic as well as human behavior. Funding leverages change, both in and beyond JTPA. Experience with the use of incentive funds and the various set-asides, under JTPA and its predecessor programs, shows that the carrot is more effective than the stick in inducing change, whether it is to promote more effective performance directly or to establish and nurture program linkages indirectly. Non-cash incentives, such as added program flexibility or special recognition for exemplary performance or activities, can also be effective. Agencies are more likely to use the services and cooperate with others if both can get credit for the end results. ◆

In the earlier section on performance measures, we outlined our recommendations vis a vis appropriate outcome/impact measures. There was strong sentiment expressed by members that states be judicious in establishing the criteria for incentive awards, because of their implicit "steering" effect. States should be encouraged to consider awards for serving harder-to-serve groups than required by law and/or for forging cooperative ventures with other human development systems that leverage additional resources. However, we do not favor incentive awards for merely doing what is required. ◆

We also recommend that a related state management issue be reexamined. Under current law small states are now provided with a minimum administrative funding level of $200,000. Given the complex and increasing administrative responsibilities incumbent upon every state, serious consideration should be given to increasing the minimum administrative funding level. ◆

The real capacity for better performance in JTPA lies in its service provider organizations and the people who staff them. The job training system, in its various guises, has performed remarkably well since its inception several decades ago, surviving large swings in funding, significant changes in governing relationships and substantive shifts in the mix of allowable target populations and services. The source of this enduring capacity should be explicitly recognized; every effort should be made to ameliorate the conditions that impede it, and sustained efforts should be provided to ensure that it is nurtured. ◆

To work alongside these administrators and service providers, strong and active private partners are vitally needed at all levels of the job training system and in related public programs as well. Along with its performance-driven nature, a distinguishing feature of JTPA is the role played by the private sector, especially at



the local level through hundreds of PICs. Promoting strong, active private/public partnership institutions for JTPA at all governmental levels will help to demonstrate the commitment to achieving common goals within the framework of a coherent workforce investment policy. ◆

RECOMMENDATIONS.

The set of recommendations offered here deal with the important but largely neglected tasks of building and supporting the capacity of the job training system. They range from suggesting more stable and dependable funding and improving labor market information for planning to ensuring capacity for strong policy making and service delivery and conducting more research to carry better designed programs into the future. ◆

RECOMMENDATION #23:

The Department of Labor Should Take A Proactive Role in Building Capacity Throughout the Employment and Training System.

Federal training and technical assistance responsibilities have been sadly neglected. One way of redressing this void in system-wide capacity building would be to create a new line item for this purpose in the JTPA appropriation. Such funds could create and sustain a network of multi-regional training institutes and institutional grants for a small group of colleges and universities. Comparable past efforts were viewed positively by the employment and training community, as well as by such objective outside panels as the National Academy of Sciences. ◆

We also support efforts to both foster professional growth among managers, service deliverers and advisors, and assist in the development of professional standards of service for the industry. Both areas of investment will improve the effectiveness of job training. To that end, we congratulate the Department of Labor for its support for the Partnership for Employment and Training Careers, the new professional association being created for workers and volunteers in the employment and training field. ◆

We also point to an area of weakness in the system: technology transfer for literacy development, skill training and data management. Enormous strides have been taken in private industry and the military in the use of technology for training and management. Yet, by and large, local SDAs are left to their own devices to ferret out quality techniques and systems. We recommend that the Department take immediate steps to help the system make use of a 20th century knowledge base as we ready for the challenges of the 21st century. ◆

RECOMMENDATION #24:

In Order To Improve Program Capacity and the Quality of Services, Permanent National Advisory Panels Should Be Created To:

A Advise DOL and the States on the Issues Most In Need of Further Research and Development (R & D); and

B After Assessing the Results of the R & D Activities, Advise DOL on the Most Effective Ways to Disseminate and Replicate Significant Findings.

R & D and capacity building activities in general have taken a back seat during JTPA's first five years of existence. Resource set-asides at the federal and state levels should be considered in order to stimulate and evaluate new approaches to working successfully with more difficult clients. Careful R & D is the foundation of program success. Without a continuing R & D agenda, which feeds proven ideas into the pipeline, systems tend to stagnate. ◆

The recommended panels, with revolving membership composed of local practitioners, SDA and state administrators, and national

policy experts, should be charged with creating an annual agenda of items for research and development for consideration by the states and federal departments in charge of employment and training. Those offices should work with appropriate experts to determine the most feasible strategy for implementing the suggestions. A modest agenda for R & D Pilot Projects is suggested by the Committee in the concluding section of this report. ◆

The underlying purpose of the panels would be to broaden involvement of the whole system in the R & D function, and thereby improve that function's usefulness. Too often research findings have no effect on the system's intelligence or practice; in addition, there is currently too little investment in the development of new service approaches and better use of technology. Knowledge by itself generates only modest action, often haphazardly and often without much congruence between the two. Twenty-five years of employment and training history, plus an examination of the way most successful for-profit companies operate, indicate clearly that resources and strategies are necessary to maximize the impact of the R & D function. ◆

Often, research reports, show-and-tell panels at industry conferences, promotional materials and occasional how-to booklets are the primary media for sharing knowledge and insights about new services or developments. For some knowledge, these approaches are adequate and appropriate; for others, especially when they represent new, technically-oriented or multi-component services, or strategies involving technical assistance and training, incentive funds and other devices are needed to ensure practical and accurate exploitation in the field. ◆

Therefore, it is important to examine and assess the results of various research, demonstration and pilot projects, and recommend, under clearly articulated standards, those which should be more broadly utilized and how. The goal of this recommendation is to upgrade the quality, relevance and importance of the R & D function in a human capital development system that must keep pace with workplace and demographic changes. ◆

RECOMMENDATION #25:
Standards for Core Service Delivery Components and Staff Should Be Developed.

Core competencies should be defined by peer professionals for each basic occupational specialty involved in the delivery of services; i.e., outreach and intake worker, assessment specialist, case manager, curriculum developer, contract manager, MIS specialist, job developer and others. Peer-developed standards should evolve for workforce development careers across agencies and related programs. A similar effort should be undertaken to create peer-developed standards for the basic components of the JTPA service delivery system, including recruitment, assessment, remediation, curricula development, job development, post-program services and other important components. ◆

While considerable attention has been given to certain aspects of labor market intervention, there has been little if any movement toward the kind of systematic effort required to understand and develop the critical components of the delivery system. JTPA must systematically perfect its "production function": the system's ability to perform outreach; assessment; strategic, goal-directed, result-oriented employability planning; academic, occupational and functional skills development; marketing and placement; and post-placement services. ◆

This advancement is possible only after certain conditions are met. First, there is a need for industry standards and definitions. Second, there is a need to track and financially account for program participation, performance and outcomes (intermediate and longer term) at a service unit level. Third, is the need for detailed data on individual characteristics, including information on employment barriers in addition to the type of demographic information currently collected. Finally, is the need to be motivated and financially able to move from what is commonly done to what is possible. This calls for positive incentives for desired results as well as careful experimentation on a scale that can only reasonably be accomplished on an ongoing basis with the support and involvement of the federal government, as suggested in the concluding section of this report. ◆

RECOMMENDATION #26:
Efforts Should Be Undertaken To Reduce Instability and Strengthen the Capacity of the Job Training System To Meet the Needs of Both Individuals and Employers Over Time By:

A Moving the System Toward Multi-Year Funding That Stimulates the Development and Use of Strategic Planning;

B Encouraging States and SDA'S To Adopt Multi-Year Contracting Arrangements (Similar To Those in Job Corps) That Provide for Multi-Year Core Funding for Key Service Providers.

Throughout the JTPA system, long-range planning has been rendered virtually impossible by the short-term, year-to-year orientation of the program, formula funding volatility and numerous constraints currently embodied in the legislation. Beginning at the Congressional level, the adoption of a longer-term perspective must become a priority. Such a perspective would be most appropriately articulated in multi-year funding that enables the system to move to a higher plane of management and to allow core service providers to hire, train and retain a cadre of professional staff. It is our belief that the payoff of such a strategy would be more integrated planning and service delivery at state and local levels, supported by a stable network of experienced service personnel. ◆

RECOMMENDATION #27:
Labor Market Information (LMI) is Critical to Job Training Decision-Making and Needs Attention in Two Key Respects:

A Greater Involvement and Investment in Developing the Capacity of Both Producers and Users of LMI at Federal, State and Local Levels; and

B Development, By the Department of Labor in Cooperation With the States, of Techniques for Local Planners to Facilitate the Creation and Use of Locally-Derived LMI.

We acknowledge that LMI is an important element of decision-making and planning at all levels of management in JTPA. The availability and usability of information for the benefit of the individual participant is especially important, yet that is where it is now least helpful. ◆

The existing 50 different LMI programs are inconsistent in their approaches to data analysis and application and use of the data. This lack of comparability is a real barrier to sharing innovations and advancing LMI's use. The current information configuration—federal, state and local—can never achieve the comprehensiveness that Congress intended without more active federal leadership to guide effective analysis for planning and individual career guidance purposes. The development of better LMI in direct support of JTPA is central to the mission of the Labor Department and its programs, both job training and labor exchange. ◆

Those who rely on LMI generally believe that knowing how to make better use of existing information should take priority over obtaining more data. The first means of improving communication with the users of LMI can be accomplished by increasing its meaning through more and improved analysis. In addition, increased training is needed for both producers and users. ◆

Under JTPA's decentralized approach, efforts to share new technology and developments across states have not been fully successful. An organized and consistent federal effort is needed to assure that new and innovative developments are shared effectively with those who use them. ◆

Improving our LMI can result in a job training system that is more responsive to the needs of both its customers. It should assist in identifying demand occupations, key trends in industrial change, wage patterns and the like; it should also inform individual's career choices and plans. ◆

Throughout this report, we have referred to the changing nature of the workplace, the changing nature of the workforce and the fiscal constraints of our current environment. We have referenced other major systems and programs concerned with developing human working capital—education, welfare, apprenticeship, veterans, aging and many others. We have made the case that no one system or program can operate effectively or efficiently as a stand-alone activity. We are committed to the effort to overcome some of the longstanding barriers to functioning as an effective part of a more comprehensive whole. To stimulate this collaboration, we offer an initial recommendation. ◆

RECOMMENDATION #28:

At All Levels of Government, Public/Private Partnership Institutions Should Be Created or Expanded to Become Responsible for the Collaborative Policy Development and Planning Needed to Build a More Coherent Human Resource Delivery System.

States and federal agencies must reach agreement on common goals and then establish a series of "treaties" as the groundwork for establishing common terminology, program measures, data base elements and the commitment of resources for jointly planned program activities. At the federal level, the partnership institution would develop broad policy, make recommendations on key workforce investment goals and generally foster more coherent, integrated systems for human resource development. This entity should have top-level participation from the Departments of Labor, Education, Health and Human Services, Commerce and Housing and Urban Development; from business and labor; and from representatives of state and local government. ◆

At the state level, the State Job Training Coordinating Councils should be energized and expanded in scope to promote coherent inter-agency resource development strategies in keeping with each state's political and institutional context. They should include top level decision-makers from key public agencies, business, labor and community organizations,and representatives from the local level. The recently enacted provisions in the Economic Dislocation and Worker Adjustment Act are a good beginning in this regard. ◆

PICs should expand their mission to provide oversight on, and serve as catalysts to, greater interagency coordination, collaboration and communication in all local human resource development programs. This local partnership should generally include local elected officials, active, high-level business and labor participation, directors of local public agencies, and community-based organizations. ◆

The expanded role and functions of PICs and SJTCCs recommended here should not be viewed as an endorsement of JTPA program "takeovers" of the human development field. This is not the intent behind the recommendation. Rather, we feel strongly that the "systems" model created under JTPA is one that should be emulated. PICs and SJTCCs, working with state and local elected officials, may well become the genesis for expanded entities charged with developing and implementing "working capital" policy at the state and local level. The next phase of our activities, and some of the Pilot Projects suggested in the conclusion of this report, should carry us further on the road to a workforce investment system. ◆

AN AGENDA FOR CHANGE

NEXT STEPS

The Committee had a rare opportunity to look at the moving parts of a system as they affect its capacity to produce "working capital," and to try to integrate our perspectives on that system into a coherent package of recommendations and considerations. ◆

The elements in the package are both interdependent and mutually reinforcing. For example, increasing local discretion over service choice and relaxing categorical cost restrictions will increase the effectiveness of service delivery only in conjunction with tightened enrollment targeting, a clearer definition of the function of performance standards, increased requirements for rewardworthy performance and broader participation in the R & D process. Recommending a package of interdependent provisions may be risky, but the Committee felt it was realistic for two reasons. ◆ First, JTPA's original design envisioned integrated training and employment systems in every state, but that vision understandably was distracted by a severe recession and federal encouragement to use all available resources to get people back to work. Therefore, early emphasis on placements became the routine business of JTPA. With the return of a healthy economy, state and local officials have renewed their interest in integrating programs with similar missions. These efforts should be encouraged, because we believe they will greatly improve the effectiveness both of JTPA and of the other programs. ◆

Second, public discomfort with past employment and training programs led to piecemeal legislation, regulatory adjustments and their eventual demise. JTPA, in contrast, has significant support and substantive strengths. Any legislative and regulatory changes should preserve its vital characteristics while improving its overall responsiveness to rapid social and economic trends. ◆ In sum, we support a publicly funded employment and training system that is geared in policy and practice to the long-term human capital development goal so often stated rhetorically by our leaders and in legislation. Its enrollment priorities and longer-term outcomes should be more definitively established to reflect that human capital approach, with incentives and rewards tied to added-value outcomes. The means to achieve these outcomes should be left largely to local decision-makers, except where national needs or findings about specific service strategies provide a compelling case for restricting that discretion. The system should develop a more sustained and broadly-based R & D and capacity building function to help it keep up in practice and quality with the changing needs of both its participants and their eventual employers. ◆

In our deliberations, we recognized that in several program areas critical to the future effectiveness of the JTPA program, the available base of information and experience was not adequate to support recommendations for legislative or administrative change. We believe that these information gaps should be addressed by the Department of Labor through pilot projects conducted under its research and demonstration program. Several areas might be appropriate for interagency research agendas. The following areas of research and testing warrant particularly high priority:

- ***Integrated Delivery of Human Services***. This report has argued the case for building an integrated human service delivery system at the local level, and recommended an administrative framework for building such a system. Appropriately designed demonstration projects can provide working models of such linkages. We would recommend that particular attention in this regard should be devoted to projects involving joint planning by JTPA, education and social service agencies in providing services to disadvantaged youth and welfare recipients. Incentives for joint planning and integrated service delivery should include waivers on restrictive regulations. We point to the successful WIN demonstration projects of the early 80s that paved the way for welfare reform in 1988.

  For example, we propose a pilot project in which incentives are offered to a few states to encourage legislation modeled on a Council of Chief State School Officers' proposal for a guaranteed quality education for every at-risk youth. This could include pooling portions of Head-Start, Chapter I, Vocational Education, JOBS and JTPA funds; waiving certain restrictive regulations; implementing research findings on appropriate curricula and teaching techniques; articulating outcome expectations at defined intervals; and testing of various forms of technical assistance and sanctions if at-risk youth are not successfully educated and prepared for self-sufficient lives. The Departments of Education and Labor might jointly fund such research, which would require interim evaluations based on performance standards.

  The phenomenal growth in female-headed households living in poverty, and the established correlation between that and subsequent school and work failure, justify support for a group of pilot projects that would utilize resources from multiple funding streams to deliver human developmental services to persistently poor family units. Pilots of such Family Development Centers, in which the goal is economic self-sufficiency for the family, may be appropriate joint R & D projects for DOL and HHS, and HUD if such centers were to be located in large public housing complexes. Interim performance standards that assess literacy, teen pregnancy, school performance, family stability and ultimate self-sufficiency should be established.

- ***Developing Improved Assessment Systems***. It is our conviction that more sophisticated assessment of JTPA enrollees, at entry, is critical to success in serving disadvantaged persons with serious skills deficiencies. Research is needed to determine the most effective and efficient means of providing such assessment. We urge the testing of alternative methodologies for assessing youth and adults in the JTPA program, such as expansion of the criterion-referenced test proposed by the Project of the States. Outcomes from this effort would be valuable to all related programs.

- ***Case Management and Related Data Systems***. Integrated service planning and delivery by human resource agencies can be greatly facilitated by the use of the case management approach. Systematic testing on a pilot project basis of the use of case managers—as individuals and in teams—should be carried out within the JTPA program and as an approach to linking services between JTPA and other related programs in the community.

Because of the past fragmentation of training and employment programs, case management was not seen as a viable service delivery strategy in this area. However, with authority granted to a single, overall "management arm"—the states—there is now the opportunity to seriously consider moving towards the comprehensive inter-agency service delivery system afforded by the case management approach. This is especially significant in light of the strong support given to case management in the new JOBS program. Intensive inter-agency staff training must be a prerequisite to implementation, and appropriate curricula should be developed as part of the research effort.

Case management implies a new approach to management and the organization of services into individual treatment plans. Integral to the success of this strategy for JTPA and for its linkage to other human development systems is research and development into a newly designed data and reporting system that will capture discreet units of service with attendant disaggregated costs per unit. DOL is encouraged to pursue this effort, not only to provide better local management and service delivery; if successful, cost reports related to outcomes and long-term program impacts will have real meaning. We recommend that one state in each region be selected to pilot this effort, so that results can be rapidly disseminated.

Cost Categories. As discussed earlier in this report, there is reason to believe that the current cap on administrative costs may be unnecessarily constraining, particularly for small SDAs or small states. We believe that there is merit in testing the value of cost restrictions in general, on a pilot basis, to determine whether or not the program's effectiveness is thereby diminished or enhanced. Conclusive results will require a particularly careful framing of the hypothesis to be tested, and rigorous data collection and analysis of the results.

Interagency Staff Training. We have stressed the importance of building the capacity of the personnel who staff the employment and training delivery system, including the service providers. It is likely that there is a similar need for capacity-building in local non-JTPA training, social service and education agencies. We urge the Department, for reasons of cost-effectiveness as well as to help build interagency teamwork at the local level, to explore with other Federal agencies the possibility of jointly funding and conducting training of state and local staffs engaged in human resource development programs. Articulating common goals might be an excellent first step in this process.

In view of the importance of these issues to the future of the JTPA program and related human development systems, we urge the Department of Labor to move promptly on this research and development agenda, and follow up with aggressive dissemination of important findings. ◆

CONCLUSION

The Advisory Committee has accepted the charge of the Secretary of Labor to follow up this report with a more intensive analysis of the problem of building an integrated human resource delivery system. We believe that the barriers to coordinated service delivery, while persistent, are not insurmountable. In addition to further policy recommendations in this critical area, we may also suggest additions to the Department's research agenda on this topic. ◆

In the process of this analysis, it has become clear that the Job Training Partnership Act created both a program and a delivery system. Some view JTPA in the narrower sense; others see the broader context. Many of the recommendations proposed in this report are directed to sharpening the focus of JTPA *program activities* in order to develop a product custom tailored for a changed market place. At the same time, we became acutely aware that the JTPA delivery system has the capacity for considerable broadening; it could become the foundation for integrated human capital development activities. In this report, we have indicated what some next steps in that direction might be. Whether or not that happens depends on vision, leadership, professionalism and a healthy dose of good will in every community and at every level of government. ◆

A special thank you to those who lent their full cooperation and support to the JTPA Advisory Committee.

ALTERNATES

David Hornbeck

Robert Ivry

Iles Minoff

Richard Praeger

Alan Zuckerman

EDITOR

Christopher King

EDITORIAL ASSISTANCE

Lawrence Bailis

Natalie Jaffe

Rose Livingston

DEPARTMENT OF LABOR STAFF SUPPORT

Dolores Battle

Michael Brauser

Stephanie Curtis

Hugh Davies

Barbara DeVeaux

Mary Ann Donovan

Lloyd Feldman

Gerri Fiala

Terence Finegan

Richard Kaufmann

Elaine Kolodny

David Lah

Patricia McNeil

Martha Muirhead

Sande Schifferes

Shirley Smith

Karen Staha

U.S. Department of Labor